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Attorneys for EDWIN G. MARSHALL and
DR. JILL C. MARSHALL, Creditors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA
LAS VEGAS DIVISION

In re:	Case No. 18-12662-leb
MEDIZONE INTERNATIONAL, INC.,	Chapter 7
Debtor.	

EX PARTE MOTION FOR RULE 2004 EXAMINATION OF ANDREW FAY

Creditors EDWIN G. MARSHALL and DR. JILL C. MARSHALL (the "Marshalls") hereby move the above-captioned Court, on an *ex parte* basis (the "Motion"), for entry of an order pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), ordering ANDREW FAY ("Mr. Fay"), an individual, to appear for examination, taken before a certified court reporter and which will continue from day to day, except holidays and weekends, until completed. In support of the Motion, the Marshalls respectfully represent as follows:

I. BACKGROUND

1. On April 18, 2018, the Marshalls, together with USHIO AMERICA, INC. and ENGINEERING CPR, INC., filed an involuntary chapter 11 petition against MEDIZONE INTERNATIONAL, INC. (the "Debtor"), in the Reno Division of the above-captioned Court.

1 2. On May 8, 2018, the Debtor filed a voluntary petition for relief commencing the
2 herein chapter 7 case. Lenard E. Schwartz was appointed trustee (the “Trustee”) of the Debtor’s
3 chapter 7 estate and continues to serve in that capacity.

4 3. On May 31, 2018, the Court entered an order authorizing the Trustee to operate the
5 Debtor’s business through August 31, 2018 (Docket no. 36).

6 4. On June 15, 2018, the Court entered a final order authorizing the Trustee to borrow up
7 to \$200,000 from the Marshalls, on a secured post-petition basis (Docket no. 53).

8 5. Innovasource is located in Huntersville, North Carolina, which is roughly 20 miles
9 outside of Charlotte, North Carolina.

10 6. The Marshalls believe that it is beneficial and necessary to examine Mr. Fay to
11 investigate the Debtor’s estate, and to examine the Debtor’s prepetition transfers of estate assets,
12 including, but not limited to, two (2) AsepticSure® disinfection systems (the “Systems”) to
13 Innovasource, and the terms of purported contracts entered into by and between the Debtor and
14 Innovasource, including, but not limited to: a Sales Representative Agreement dated January 16,
15 2016; a Product Supply & License Agreement dated October 26, 2017, a Product Evaluation
16 Agreement dated March 1, 2018; and an Addendum to Product Evaluation Agreement dated April 30,
17 2018 (collectively, the “Agreements”).

18 7. Each of the Agreements was executed by Mr. Fay in his capacity as Vice President of
19 Innovasource.

20 8. The Systems were shipped to Innovasource in North Carolina on a temporary basis
21 only, according to U.S. Customs shipping documents reviewed by the Marshalls, but one or more of
22 the documents described above may have purported to grant Innovasource the right to purchase the
23 Systems for a nominal purchase price.

24 9. The Marshalls have entered into a purchase agreement with the Trustee herein, subject
25 to Court approval and overbids, for the purchase of the Debtor’s assets, including the two Systems,
26 and those Systems are critical to the value and viability of the business to be acquired by the
27 Marshalls. Therefore, the Marshalls seek to examine Mr. Fay to obtain full information and
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1 documentation of any communications, documents or agreements between the Debtor and
2 Innovasource with respect to the Systems or any other assets of the Debtor.

3 **II. CONCLUSION**

4 WHEREFORE, the Marshalls pray for entry of an order, pursuant to Rule 2004 of the
5 Bankruptcy Rules, directing ANDREW FAY to appear for examination on **July 27, 2018 at 1:30**
6 **p.m. E.S.T.**, at CaseWorks, 6000 Fairview Road, Suite 1273, Charlotte, North Carolina 28210, or at
7 another such mutually agreed upon date and time.

8 DATED: June 29, 2018

MEYERS LAW GROUP, P.C.

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11 By /s/ Merle C. Meyers
12 Merle C. Meyers, Esq.
13 Attorneys for Edwin G. Marshall and
14 Dr. Jill C. Marshall, Creditors
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